

- tembō* (Long-term Projection for the Chinese Economy), Tokyo, Institute of Asian Economic Affairs, 1964.
- 5 Shigeru Ishikawa, *National Income and Capital Formation in Mainland China—An Examination of Official Statistics*, Tokyo, Institute of Asian Economic Affairs, 1965.
 - 6 Yuan-li Wu, *The Steel Industry in Communist China*, New York, Frederick A. Praeger, 1965. Yuan-li Wu, *Economic Development and the Use of Energy Resources in Communist China*, New York, Frederick A. Praeger, 1963.
 - 7 For example, see Yuan-li Wu, *The Economy of Communist China—An Introduction*, New York, Frederick A. Praeger, 1965, pp. 136 f. Since Wu's interest is directed towards the inaccuracy of statistics relating to the level of agricultural production in China, a penetrating analysis is made of those questions in statistics which could have been the cause of this inaccuracy. In the case of Chen, on the other hand, the pitfalls which lie concealed here are apt to be overlooked by the readers because the main emphasis is placed on giving a commentary on the yield statistics system in general. I think that the author would have done well to give more consideration to the fact that the official figures for yields in 1958 were subsequently revised by a large margin.
 - 8 *Nei-meng-ku tzu-chih-ch'ü ching-chi ho wen-hua chien-she ch'eng-chiu ti t'ung-chi* (Statistics on Achievements of the Inner Mongolia Autonomous Region in Economic and Cultural Construction), Peking, 1960; translated by U.S. Joint Publications Research Service: 16,962, Jan. 3, 1963.
 - 9 Yuan-li Wu, *The Steel Industry in Communist China*, Chapters 6 and 7. Ronald Hsia, "Changes in the Location of China's Steel Industry" in Choh-ming Li ed., *Industrial Development in Communist China*, New York, Frederick A. Praeger, 1964. There is no substantial difference between the two works.

(Katsuji Nakagane)

PATRICK O'BRIEN, *The Revolution in Egypt's Economic System: From Private Enterprise to Socialism, 1952-1965*, Oxford University Press, 1966, xviii+354 pp.

For a social scientist to analyse the process of transformation of Egypt's economic system is very attractive work from the standpoint both of tracing regressively the historical setting of the Egyptian Revolution and of presenting one's analysis as a contribution to the elaboration of a theoretical framework for analysing system change in the subordinate area in international relations. At the same time, however, we would add that such an analysis is an extremely adventurous undertaking. We say this because, unless the theoretical framework is constructed with a fair degree of competence, the analysis will be merely an exhibition of novelty in relation to the traditional social science methodology and thus will never be anything more than a fabric woven of mere whims and parochial peculiarities.

This work by Mr. O'Brien is not subject to criticism on the above grounds. The book does not aim at describing this or that parochial peculiarity of Egyptian economy or of its institutional framework, but rather aims at building towards a theory explaining the transformation of the economic system in terms of the institutional framework, taking Egypt as an example.

Moreover, the author's carefully delineated frame of reference is appropriate to prevent his analysis from falling into abstract speculations of a rather barren nature. His fundamental idea in proceeding with his studies of the Egypt's economic system may be summarized in the following four points.

1) Building up a theoretical framework to explain the changes in economic systems in developing countries which have cultural and institutional environments differing from those of the West; and taking the transformation in the political, legal, and institutional framework of the Egyptian economy as an example.

2) Tracing the changes in the economic system by means of historical analysis; that is, evaluating the reorientation brought about by the new régime in revolutionary Egypt by making a comparison with the preceding régime, and attempting thereby to educe a periodization of the system change from the viewpoint of the reorientation of economic and social policy.

3) Finding approaches to the comparative study of the reorientation of economic systems in those of the developing countries which are included in the category of so-called state-capitalism, taking Egyptian so-called Arab socialism as an example.

4) Inquiring into the essential substance of Arab socialism, with regard to its economic efficiency and the probable nature of its social welfare policies and, thereby, considering the problem of what economic system and what policies will realize optimum efficiency and equity.

It goes without saying that these grand aims are of such a nature that fully satisfactory answers to them cannot be given by any one social scientist working within a specified discipline. Mr. O'Brien himself seems to be contending that the frame of reference for his subject should be set within this vast scope of inquiry.

In summarizing our over-all views of this book, we would say that it is a distinguished piece of work, first and foremost because it carried out an analysis of the phases of control of private enterprise by the government, using extremely precise data. Second, because it presents arguments which are fully substantiated from the standpoint of the régime's reorientation of economic and social policy, to support the positing of three phases in the Egyptian Revolution: I. the Free Economy phase, II. the Mixed Economy or Guided Capitalism phase, and III. Socialist Economy phase. Third, the author firmly adheres to the ascetic attitude proper to a social scientist in his discussion of the future development of the present order.

We cannot think, however, that the positing of three phases in the Egyptian Revolution have been fully realized by the present work. This is because the aims are altogether too vast to permit realization by means of the indices of economic efficiency and equity employed in Mr. O'Brien's analysis of the control of private enterprise by the government. Throughout the book, it has proved necessary for the author to step beyond the realm of economics into the political, ideological, or managerial aspects in applying these indices. Accepting the author's explicitly stated aims and frame of

reference, and examining the content of his work with his aims in mind, the following comments may not be unreasonable.

First, the concept and the substance of the institutional framework of the Egyptian economy would become more clearly apparent, if we were to modify Mr. O'Brien's expression, "the political, legal and institutional framework within which private enterprise has operated," by noting the concept of social relations or context which made possible the development and outcome of capitalistic enterprises in backward societies and which have further endowed these enterprises with the historical attributes which give structural characteristics to Egyptian capitalism. For example, in his analysis of the economic system which preceded the Egyptian Revolution, the author does not call into question the social relations, but rather is concerned throughout with the technological framework of production based on the interrelationship between economic resources and technique. This approach may be seen clearly in the following sentences quoted from Chapter 1.

In the first two decades of this century, "Egyptian agriculture became transformed from a traditional subsistence sector into a highly commercialized and responsive enterprise.... Egyptian farmers... were already familiar with a good deal of modern agrarian technology.... Egyptian farming in 1950 cannot really be called backward or traditional but it had certainly not attained optimum efficiency.... Thus as far as national economy was concerned, output needed to be diversified and opportunities created for production and employment outside the agricultural sector." (pp. 7-12)

These may be considered appropriate views regarding Egyptian agriculture if we take the technological framework of production and flow in the agricultural sector as a whole as the index of measurement; but given the author's way of thinking, no room whatever is left for considering such matters as, for example, the structural characteristics of the oriental-capitalistic society as posited by Marx, Weber and their followers, or the stage, or pattern, of dualism found in such a society in this century as described by writers such as E. Boeke and C. Geertz. Consequently, when Mr. O'Brien considers the question of social relations or context of the economy, his consideration of the matter is inevitably confined to the technological aspect of production and flow, or of the efficient organization of enterprise. The author cannot present any answer to the following question: what should be done away with in case of the agrarian reform in oriental society? Thus disappear his grand aims of attempting a study of an institutional framework different from the West, and of tracing retrogressively the historical setting of the Egyptian Revolution. It would seem that when a scholar like Mr. O'Brien, working within a specific discipline such as economics, considers a question such as the nature of the connexions with the historical stages of the subordinate area and the social relations of the economy in oriental-agrarian society, he can make valuable contributions or provide new answers to the question only at the relevant points of interdisciplinary contact, rather than working entirely within his own concept. This situation applies not only

to the analysis of the pre-revolutionary period but also to the analysis of the current situation following the Revolution.

Second, Mr. O'Brien's analysis of the transformation towards a *centrally-controlled economy* and of its various phases is extremely suggestive as regards future direction of development in private enterprise run by nationalist régimes in developing countries; but, as he himself properly recognizes, the most serious question is concerned with the fact that the *socialist economic system* in Egypt is a condition which may be described as one of unity in diversity. As the author states, "Perhaps the most striking feature of Egypt's economy is its institutional diversity.... Almost all possible forms of organization are represented.... How long the régime will continue to experiment pragmatically with different institutional forms, or whether they will be persuaded that socialism demands a specific kind of economic organization is difficult to say." (p. 242) "Thus if socialism is defined to mean a large public sector and high rates of investment by the state, then Egypt has qualified as a socialist society. But there is no logical connexion between this kind of socialism and the distribution of income or the care a government lavishes upon the least fortunate members of society." (p. 293)

The political scientist Leonard Binder, who has discussed the subject of Arab socialism (*The Ideological Revolution in the Middle East*, John Wiley & Sons, 1964), has put forward a sophisticated theoretical construct of the ideological revolution in terms of intellectual's cognition, but in Mr. O'Brien's case there is the difficulty that he is obliged to say something about material or objective aspect which is comprised of the economy and economic organization as well as about the ideological or subjective aspect. Moreover, socialism and the path to socialism, considered as the general principle governing the economic order, is one of the most difficult questions for a social scientist. Mr. O'Brien has refused to argue about the concept of socialism in the abstract, viewing such an endeavour as a "fruitless quest." Instead, he has sought to perceive the realities of the situation by investigating the ambivalent economic and social policies followed by the régime, by considering in particular the events of the latest phase of the Egyptian Revolution. In so far as this is the case, the greatest importance attaches to his question: "Why did the Military Junta which seized power with so little in the way of preconceived notions about social and economic organization find it expedient, necessary, or desirable to bring about fundamental changes in the country's economic organization?" (p. 199)

As the author says, "Until 1961 the Junta attempted to promote development and force the pace of industrialization without altering the institutional framework of private ownership," (p. 230) and the control of private enterprise and the reasoning of the socialist, democratic, co-operative society has been carried out in a manner described as "pragmatic" or "post hoc rationalization," always accompanied by policy-explanations which have been "ambivalent" or made in "prevarication." But, granting that policy-explanations have taken this form, why is it that a reorientation of policy has occurred

since the Suez War and what have been "the underlying economic and social forces in this reorientation?"

Mr. O'Brien explains the cause of the reorientation with reference to three factors: international relations, the irrational policy of the government itself, and some deficiencies on the side of the Egyptian capitalists and entrepreneurs. He explains these three factors mainly from the viewpoint of the economic policy and managerial functions: the waning hopes of an inflow of Western private capital since the Suez crisis; the culmination of the Korean boom; the disappointment of the government's expectations for the abilities of Egyptian private entrepreneurs; the mistaken government policies for industrialization among which in particular is the price mechanism, that is, the matters of "distorted prices" and "optimum technique"; the pursuit of short-term profits by the entrepreneurial stratum and their immaturity as a social class, etc. Considering the cause of reorientation, focusing on the government policy, the author seems only to say that the government was forced to pass through a process of reorientation to which it gave retroactive recognition by moving out in radical ideological direction, but still he says nothing about the underlying economic and social forces in the reorientation.

Third, the author has presented his case regarding this transitional phase, choosing his indices from the aspects of both efficiency ("technical efficiency, prices, dynamic efficiency, and consumers' sovereignty") and equity, and in so doing he succeeds, by pushing to the foreground his schema of competitive relations between the government and the private enterprise as a whole, in presenting a clear comparison of old and new régimes, and explaining the context in which the transition took place. But if we work only within this simplified schema, we will overlook the diversity inside the so-called Arab socialism or among the political groups and social forces within the revolutionary faction, and will lose sight of the functional significance of entrepreneurial groups in relation to the reorientation. Mr. O'Brien, too, frequently draws attention to policy-differences within the government, and also points out, in connexion with the matter of equity, that the present reorientation of policy has led to the creation of privileged managerial statuses in public enterprise, an aristocracy of labour, and a stratum of privileged beneficiaries of the agrarian reforms. Inasmuch as it is hinted that the reorientation of the present situation, faced by this contradiction between efficiency and equity, must inevitably be characterized by ambivalence in a new sense because "devoted cadres" have not yet been formed, it would seem to be necessary to again call in question such matters as the internal contradiction within the so-called Arab socialist government over the reorientation of policy in relation to the question; what have been "the underlying economic and social forces in this reorientation?" and which has been responsible for the irrational policy in relation to price-mechanism and consumers' sovereignty, the planning itself or the lack of technostructure on which planning body should be based? Similarly, it would seem necessary that the industrial

entrepreneurial group, conceived as constituting the old order, should be construed not only as being antithetical to a centrally-controlled economy but also as being adaptable to it, and of having been the driving force behind the agrarian reform in 1952 and the tariff-reform movement before the Revolution. By not using the vague concept of the national bourgeoisie, he has had the effect of directing scathing criticism at the vulgar Marxists; but if, because of the universality of capital and technique, the national identity of the industrialists and the relatively advanced position of industrialists versus the landowner-agriculturists are removed, the role of the Egyptian private entrepreneurs in the course of the revolution may be confined to the Janus' one face or the unilateral characters transcending the historical prescription.

Fourth, Mr. O'Brien also mentions the fact that the desire for an inflow of private capital from the West has disappeared in the course of the transformation to Arab socialism, but he does not discuss to any great extent the question of the influence which US and USSR aid has had on the Egyptian economy and its institutional framework. May it not be that the ambivalent attitude of the Egyptian government in its economic policy is due more to the recent trend in the international economy—the horizontal flow of private capital and the vertical flow of aid funds—than to the domestic factors of the Egyptian economy? It would seem that, before arguing the factors in international politics, we must re-examine the “socialization” of the Egyptian economy from the viewpoint of the fact that it has proved inevitable to intensify the degree of dependence on domestic savings and public investment in accordance with the decreasing of her foreign currency reserve, and that we should call to mind the fact that, in the course of the “Mixed Economy phase,” as the proportion of public to total investment increased, the proportion of dependence on US and USSR economic aid has also increased directly. Moreover, the independence of the national economy and the growth of producing power must be demanded at a time when it is impossible for the developing countries as a whole to reorganize the international economic organization. (*San-eki Nakaoka*)

HAROLD C. HINTON, *Communist China in World Politics*, Boston, Houghton Mifflin Company, 1966, xiii+527 pp.

It is a very important task to analyse China in the context of the international scene: how China's foreign policy has been developed and what its special nature is; what manner of international influence China exerts and what are its characteristics. It is particularly urgent at present that this task should be studied, for the following two reasons. First, in the multipolarity of world politics which has replaced the hitherto dominant post-war problem of the American-Soviet conflict, China occupies a unipolar position and will be a major influence on the trend of international politics in the future,